

SENATE BILL 1964

By Carter

AN ACT To amend Tennessee Code Annotated, Chapter 84 of the Private Acts of 1947, as amended by Chapter 120 of the Private Acts of 1965, Chapter 536 of the Public Acts of 1979, Chapter 537 of the Public Acts of 1984, Chapter 868 of the Public Acts of 1986, and Chapter 78 of the Private Acts of 1997, Chapter 467 of the Private Acts of 1925, and Chapter 539 of the Private Acts of 1927, as amended by Chapter 412 of the Private Acts of 1937, Chapter 164 of the Private Acts of 1941, and Chapter 202 of the Private Acts of 1945, all relative to the Kenton Special School District, to establish a school and related facilities for preschool through third grade children within the boundaries of the District; to enter into certain agreements with the City of Kenton for the financing of said school and facilities; to levy a tax to pay debt service and other costs related to said school and facilities; to authorize and empower the District to contract with the Gibson County School District or others for the operation of said school and facilities; and to ratify and affirm certain provisions of Chapter 84 of the Public Acts of 1947, as amended, and to declare certain provisions thereof no longer effective.

WHEREAS, The Kenton Special School District (the "District") was created pursuant to Chapter 84 of the Public Acts of 1947, as amended (the "Act of Incorporation") for the purpose of providing for a school system within the boundaries of the District as set forth therein and providing for the levying of a tax for the payment of principal and interest on any bonds issued to provide schools within the District;

WHEREAS, The citizens and taxpayers within the boundaries of the District have indicated their desire to reestablish a school within the District serving preschool through third

grade, so that the youngest school children residing within the District can attend a school within the Kenton community rather than being split between schools in Gibson County and Obion County and being required to travel to schools outside the community;

WHEREAS, It is the desire of the Board of Trustees of the Kenton Special School District and the City of Kenton to provide adequate facilities and equipment to meet the standards of the Tennessee Education Improvement Act of 1992 and to provide an educational program within the District for children in preschool through third grade with minimum transportation of said children;

WHEREAS, It is proposed that a school serving preschool through third grade be constructed in the City of Kenton, that the City of Kenton issue its bonds, notes or other obligations to fund construction and equipping of the school, that the District levy and collect a tax on all taxable property within the boundaries of the District for the purpose of paying principal of, and interest on, said obligations, and that the District contract with the Gibson County School District for the operation of said school; and

WHEREAS, For all these purposes, it is necessary to authorize the District to take certain actions as more fully described herein; now, therefore,

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. The District is hereby authorized and empowered to establish, or cause to be established, within its boundaries a school serving preschool through third grade, together with all land, equipment, furniture, and fixtures necessary for the operation thereof, together with such other school or schools as may be necessary to serve the educational needs of preschool through third grade students of the District, and to provide for the operation thereof.

SECTION 2. The District is hereby authorized and empowered to enter into an agreement or agreements with the City of Kenton, providing for the joint and cooperative financing of the construction of the school or schools hereinabove described serving preschool through third grade, including:

(1) The issuance of bonds, notes or other obligations by the City of Kenton for the purpose of providing funds for the construction, improvement, furnishing, fixturing, equipping, and operation of school buildings and facilities, and additions thereto, in and for the District, including the purchase of all property, real and personal, or interests therein, necessary in connection with said work and the payment of all legal, fiscal, administrative, architectural, engineering, accounting and similar professional and other costs incident thereto and to the issuance and sale of said bonds, notes or other obligations;

(2) The payment by the District to the City of Kenton of the amounts necessary to pay principal, of and interest on, said bonds, notes or other obligations as they come due;

(3) The ownership, either by the District, the City of Kenton or jointly by both, of any school or schools within the District; and

(4) Such other terms and agreements incident to any of the foregoing as the parties shall deem necessary.

SECTION 3.

(a) For the purpose of providing funds to pay principal of, and interest on, the bonds, notes or other obligations of the City of Kenton described in Section 2 hereof and all other amounts payable by the District under the agreement or agreements described in Section 2 hereof, there is hereby levied, in addition to the taxes currently being levied within the boundaries of the District by other taxing authorities, a continuing annual tax of forty-three cents (\$0.43) on each one hundred dollars (\$100) of assessed value of real and personal property located within the boundaries of the District, effective as of January 1, 2001 for the 2001 tax year and each tax year thereafter as long as the District is obligated to make payments to the City of Kenton under the agreement or agreements described in Section 2 hereof.

(b) The rate hereinabove established may be adjusted from time to time in accordance with the procedure set forth in Section 67-5-1704, Tennessee Code Annotated, relating to county-wide reappraisals and in accordance with the procedures of the State Board of Equalization from time to time in effect for developing equalized tax rates for multi-county jurisdictions. In addition, in the event the total assessed value of all property in either Gibson or Obion County subject to the tax hereinabove described declines by more than ten percent (10%) from January 1 of any year to January 1 of the next succeeding year or declines by more than fifteen percent (15%) from January 1 of any year to January 1 of the second succeeding year thereafter, at the request of the Board of Trustees of the District, the county assessor of property in the county in which the decline occurs shall certify to the county trustee of such county and the Board of Trustees of the District the total assessed value of taxable property within the District lying within that county and furnish the county trustee and the Board of Trustees an estimate of the total assessed value of all new construction and improvements not included on the assessment roll of the base year and all deletions from the assessment roll of the base year. Upon receipt of said information and certifications, the county trustee shall adjust the tax rate established herein to an adjusted rate which is estimated to provide to the District the same tax revenue from the county as was provided from that county by said tax in the base year, exclusive of such new construction, improvements and deletions, in accordance with policies established by the state board of equalization pursuant to Section 67-5-1701(b), Tennessee Code Annotated, and its procedures from time to time in effect for developing equalized tax rates for multi-county jurisdictions.

(c) The revenues derived from the tax hereinabove levied shall be used primarily to contribute to the payment of principal of, and interest on, the bonds, notes or other obligations of the City of Kenton described in Section 2 hereof pursuant to any

agreement described therein and to maintain debt service fund balances of the District. The Board of Trustees is hereby authorized to pledge said tax revenues to secure the payment of its obligations under its agreement or agreements with the City of Kenton described in Section 2 hereof. Said revenues may also be used to the extent needed to pay administrative costs of receiving and accounting for said revenues, including the costs of audit and other fiscal and administrative costs. Said revenues may also be applied to operational expenses of the District provided, at the time funds are applied, the District has on hand a debt service fund balance equal to one-half of the District's annual payment to the City of Kenton required under Section 2 hereof.

(d) The tax herein levied shall be annually extended and collected by the county trustees of Gibson and Obion Counties, as appropriate, in the manner provided by general law for the extension and collection of county taxes and shall constitute a lien on the property against which it is levied with like force and effect as do county taxes. The proceeds of said taxes, as and when collected, shall be paid by the respective county trustee to the District. The proceeds of said taxes, when received by the District, shall be deposited to a debt service fund to be established and maintained by the District. The debt service fund is established for the specific purpose for receiving the taxes authorized herein and any other funds which may from time to time be pledged to the payment and performance of the obligations of the District established under the authority given by Section 2 hereof. The debt service fund and the funds therein shall be maintained and accounted for until payment and performance in full of all obligations of the District under the agreement or agreements described in Section 2 hereof, and shall be used solely in the manner set forth in Section 3(c) above.

SECTION 4. The District is hereby authorized and empowered to enter into an agreement or agreements with Gibson County School District, or such other public entity as it shall deem appropriate, to provide for the administration of the schools of the District, the

operation and management of all school properties and facilities of the District, and the maintenance and repair of all school properties and facilities of the District.

SECTION 5. The Board of Trustees is hereby authorized to receive funds from the City of Kenton for the construction and equipping of schools within the District, to construct and equip schools, and to exercise general supervision and control over the schools of the District, except as the District may delegate such administrative and operational duties as described in Section 4 hereof.

SECTION 6. All provisions of the Act of Incorporation not modified or amended herein shall remain in full force and effect, provided that Sections 13 and 14 thereof, relating to the levy and collection of a tax, shall no longer be effective. Section 1 of the Act of Incorporation defining the boundaries of the District shall remain in effect, and the boundaries described therein are hereby ratified and confirmed as set forth therein. To the extent of any conflict between the Act of Incorporation and this amendment, this amendment shall control.

SECTION 7. If any provision(s) of this Act or the application thereof shall be held by any court of competent jurisdiction to be invalid or unenforceable to any extent, the remainder of this Act and the application of the remaining provisions hereof shall not be affected thereby, shall be enforced to the greatest extent permitted by law and are declared to be severable.

SECTION 8. This act shall take effect upon becoming a law, the public welfare requiring it.